

SENATE BILL 646

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 62,
relative to professions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-13-112(g), is amended by deleting the subsection and substituting instead the following:

(g) Each licensee shall be notified of the required terms and conditions of coverage for the policy at least thirty (30) days, but no more than ninety (90) days, before the policy's renewal date. A certificate of coverage, showing compliance with the required terms and conditions of coverage, shall be filed with the commission by the policy renewal date by each licensee who elects not to participate in the insurance program administered by the commission.

SECTION 2. Tennessee Code Annotated, Section 62-13-112, is amended by adding the following language as new, appropriately designated subsections:

(j)

(1) If a licensee fails to obtain, maintain or renew the licensee's errors and omissions insurance which meets or exceeds the minimum requirements established by the commission and provide proof of compliance to the commission as required by subsection (g), the licensee's license shall be automatically suspended without any further action by the commission.

(2) The commission shall send notification of the license suspension by regular mail:

(A) To the licensee at the last known business address of the licensee as registered with the commission; and

(B) To the licensee's broker at the broker's address as registered with the commission.

(3) While a license is suspended pursuant to this section, the licensee shall not engage in activities which require a license under this chapter, nor will the license be renewed or a new license issued. Any license suspended pursuant to this section shall remain suspended until the licensee establishes, to the satisfaction of the commission, compliance with this section.

(4) The licensee may, upon written notice to the commission, request a formal hearing on any license suspended pursuant to this section.

(k)

(1) A license suspended pursuant to this section shall be reinstated within thirty (30) days of suspension upon the licensee providing proof of insurance which complies with the required terms and conditions of coverage to the commission without the payment of any fee.

(2) A license suspended pursuant to this section may be reinstated on or after thirty-one (31) days of suspension upon the licensee providing proof of insurance which complies with the required terms and conditions of coverage to the commission and the licensee paying:

(A) For a license suspended more than thirty (30) days but less than one hundred twenty (120) days, a penalty fee of not more than five hundred dollars (\$500); or

(B) For a license suspended for more than one hundred twenty (120) days but less than one (1) year, a penalty fee of five hundred dollars (\$500), plus an additional penalty fee of not more than one hundred dollars (\$100) per month for months six (6) through twelve (12).

(l)

(1) A license suspended more than one (1) year pursuant to this section shall be automatically revoked without any further action by the commission.

(2) The commission shall send notification of the license revocation by regular mail:

(A) To the licensee at the last known business address and home address of the licensee as registered with the commission; and

(B) To the licensee's broker at the broker's address as registered with the commission.

(3) The licensee may, upon written notice to the commission, request a formal hearing on any license revoked pursuant to this section.

(4) Upon revocation of license, any individual seeking reissuance of such license shall reapply for licensure and pay the penalty fees in subsection (k); provided, however, that the commission may, in its discretion:

(A) Waive reexamination or additional education requirements for such an applicant; or

(B) Reinstate a license subject to the applicant's compliance with such reasonable conditions as the commission may prescribe, including payment of a penalty fee, in addition to the penalty fee provided in subdivision (k)(2)(B), of not more than one hundred dollars (\$100) per month, or any portion thereof, from the time of revocation.

SECTION 3. This act shall take effect July 1, 2013, the public welfare requiring it.